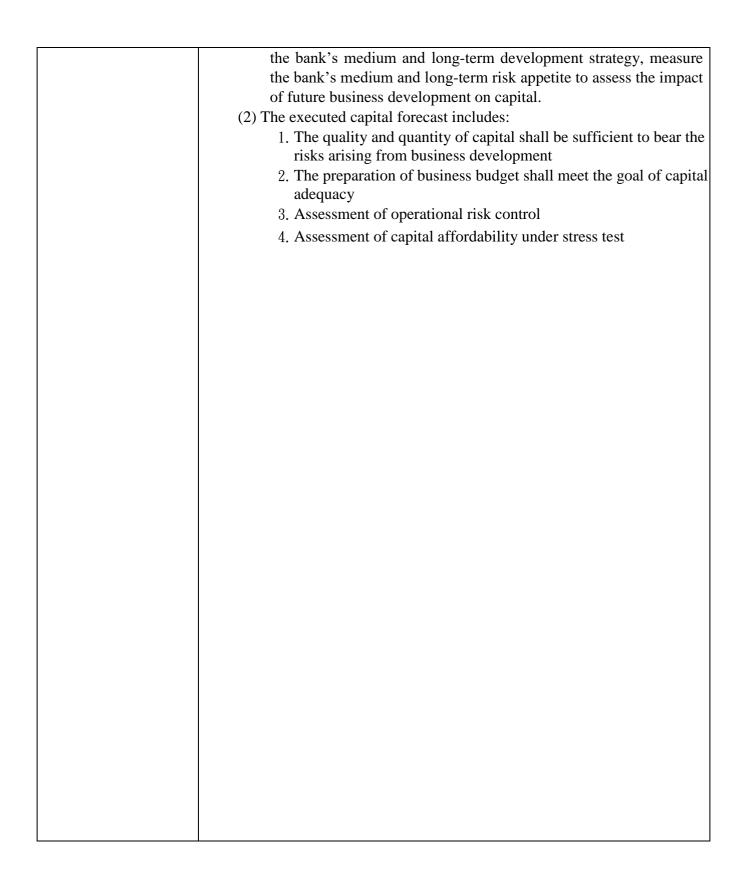
Notes on capital adequacy management

Year 2022

Item	Cont			
	ent			
Briefly discuss the methods of evaluating	The bank's methods and procedures for assessing capital adequacy are as follows:			
the capital adequacy of	I. Set the internal management target value and early warning indicator of			
banks in the face of	capital adequacy ratio:			
U				
	business may deviate materially from the budget target, the trial			
	calculation will be analyzed, and corresponding measures will be taken to ensure that the capital adequacy ratio can meet the			
	management target.			
	III. Methods to evaluate future capital adequacy:			
	(1) According to the future business and financial objectives set out in			



Capital adequacy ratio

December 31, 2022 (unit: NT \$1000; %)

Item	The Bank		Merger			
nem	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021		
Self-owned capital:						
Tier1 net capital of common equity	283,547,215	286,087,120	283,543,847	288,441,523		
Other tier1 net capital of non-common equity	0	0	0	0		
Tier2 net capital	43,778,869	25,920,079	43,890,403	28,522,606		
Total self-owned capital	327,326,084	312,007,199	327,434,250	316,964,129		
Weighted risky assets:						
Credit risks	2,168,118,130	2,080,354,073	2,177,040,905	2,099,863,090		
Operation risk	90,913,463	90,229,825	91,720,925	90,982,350		
Market risk	28,605,525	35,483,750	28,610,713	35,516,725		
Total weighted risky assets	2,287,637,118	2,206,067,648	2,297,372,543	2,226,362,165		
Common equity ratio	12.39	12.97	12.34	12.96		
Tier1 capital ratio	12.39	12.97	12.34	12.96		
Capital adequacy ratio	14.31	14.14	14.25	14.24		
Leverage ratio:						
Net capital of tier1	283,547,215	286,087,120	283,543,847	288,441,523		
Total exposure	4,019,047,815	4,057,421,948	4,043,548,597	4,081,867,748		
Leverage ratio	7.06	7.05	7.01	7.07		